

**STATEMENT OF
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BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

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Good afternoon, Chairman Wenstrup, Ranking Member Takano, and other distinguished Members of the Subcommittee. I am pleased to be here today to discuss the Department of Veterans Affairs (VA) education benefit programs and our ongoing efforts to ensure education benefits are administered appropriately and accurately. My testimony will highlight the status of our implementation of the provisions of Executive Order (EO) 13607, "Establishing Principles of Excellence for Educational Institutions Serving Servicemembers, Veterans, spouses, and other family members;" Public Law (P.L.) 112-249, "Improving Transparency of Education Opportunities for Veterans Act of 2012;" and Sections 701 and 702 of P.L. 113-146, "Veterans Access, Choice, and Accountability Act of 2014." I will also discuss VA's information technology systems supporting our education programs, as well as our efficiency and accuracy in delivering education benefits.

Overview

VA's education programs provide education and training benefits to eligible Servicemembers, Veterans, dependents, and survivors. These programs are designed to assist Veterans in readjusting to civilian life, help the armed forces both recruit and

retain members, and enhance the Nation's economic competitiveness through the development of a more highly-educated and productive workforce.

Current Education Programs

The Post-9/11 GI Bill (chapter 33) was enacted with the passage of P.L. 110-252, and greatly expanded education benefits effective August 1, 2009. This education program provides Veterans, Servicemembers, dependents, and survivors with educational assistance, generally in the form of tuition and fees, a monthly housing allowance, and a books-and-supplies stipend, to assist them in reaching their educational or vocational goals. Eligibility to use the Post-9/11 GI Bill benefit is based on at least 90 aggregate days of active duty service, or 30 continuous days if discharged for a service-connected disability, and benefit eligibility lasts for 15 years from discharge. P.L. 111-377, which was signed into law on January 4, 2011, amended the Post-9/11 GI Bill by expanding eligibility for certain individuals and modifying the amount of assistance and types of approved programs. The Post-9/11 GI Bill is the most utilized of VA's education programs. As of March 2, 2015, VA has issued approximately \$49.8 billion in Post-9/11 GI Bill benefit payments to 1,363,556 individuals and their educational institutions since program inception in August 2009.

The predecessor of the Post-9/11 GI Bill program, and still in use, is the Montgomery GI Bill-Active Duty (MGIB-AD) program, or chapter 30. This program is for active duty members who enroll and pay \$100 per month for 12 months. It provides monthly education benefits to Veterans and Servicemembers who have served at least two years on active duty (with some exceptions for early discharge, such as individuals

released due to a disability). Eligible participants have 10 years from the date of their last discharge to use the benefit. In fiscal year (FY) 2014, VA paid \$512 million to 77,389 individuals who trained under the MGIB-AD program.

The Montgomery GI Bill-Selected Reserve (MGIB-SR) program, or chapter 1606, provides educational assistance to members of the Selected Reserve who are actively drilling and have a 6-year service obligation. This is a Department of Defense (DoD) program that is administered by VA. Eligibility for this program is determined by DoD/Department of Homeland Security (DHS), and VA awards benefit payments. Eligibility generally ends with the end of the individual's Selected Reserve service, with some exceptions for early discharge, such as individuals released due to a disability. In FY 2014, VA paid \$150 million to 63,745 individuals who trained under the MGIB-SR program.

The Reserve Educational Assistance Program (REAP) program, or chapter 1607, provides educational assistance to members of Reserve components called to active duty in response to a war or national emergency declared by the President or Congress. Reservists activated for at least 90 consecutive days on or after September 11, 2001, may be eligible for this program. Eligibility is determined by DoD/DHS and VA awards benefit payments. Eligible participants have 10 years from separation, following completion of required service, to use the benefit. In FY 2014, VA paid \$56 million to 13,784 individuals under REAP.

Finally, the Survivors' and Dependents' Educational Assistance (DEA) program, or chapter 35, offers education and training opportunities to eligible dependents and survivors of Veterans who have or had a service-connected disability rated as

permanently and totally disabling; Veterans who died while on active duty; and Veterans who died as a result of a service-related condition. Assistance includes up to 45 months of full-time benefits. Spouses generally receive benefits up to 10 years from the date VA determines eligibility. However, if VA rates the Veteran permanently and totally disabled within three years from discharge, a spouse will remain eligible for 20 years from the effective date of the rating. Surviving spouses may receive benefits for 20 years from the date of the Servicemember's death on active duty. Children are generally eligible between the ages of 18 and 26. In FY 2014, VA paid \$514 million to 90,789 dependents who trained under the DEA program.

Carrying out Executive Order 13607 and Public Law 112-249

Principles of Excellence

Issued by the President on April 27, 2012, EO 13607 directs VA, DoD, and the Department of Education (ED), in consultation with the Department of Justice (DOJ) and the Consumer Financial Protection Bureau (CFPB), to develop and implement "Principles of Excellence" to strengthen oversight, enforcement, and accountability within Veteran and military educational benefit programs.

These principles apply to educational institutions receiving funding from Federal military and Veterans educational benefit programs, including benefits provided under the Post-9/11 GI Bill. The principles ensure that educational institutions provide meaningful information to Servicemembers, Veterans, and dependents about the cost and quality of educational programs. The principles also assist prospective students in making choices about their Federal educational benefits; prevent abusive and deceptive

recruiting practices that target the recipients of Federal military and Veterans' educational benefits; and ensure that educational institutions provide high-quality academic and student-support services to Servicemembers, Veterans, and their families. As of March 2, 2015, I am pleased to report that 6,106 campuses have voluntarily agreed to comply with the Principles of Excellence. These institutions are listed on our GI Bill Website (<http://www.gibill.va.gov>).

GI Bill Comparison Tool

P.L. 112-249, enacted on January 10, 2013, enhanced and complemented the provisions of EO 13607, requiring VA to develop a comprehensive policy to improve outreach and transparency to Veterans and Servicemembers through the provision of information on institutions of higher learning (IHL) and to deploy online tools to implement the policy. The law also required VA to develop a centralized mechanism for tracking and publishing feedback from students and State Approving Agencies (SAA) regarding the quality of instruction at IHL, their recruiting practices, and post-graduation employment placement. The law prohibits VA from approving any course offered by an educational institution that provides any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid. Finally, it required VA to perform two market surveys, within 90 days of enactment, related to academic readiness and commercially available, off-the-shelf, online comparison tools.

To implement P.L. 112-249, VA has been partnering with ED, DoD, CFPB, and the National Association of State Approving Agencies (NASAA). As required by this law, VA submitted a report to Congress in April 2013 that included a description of the

plan to implement provisions of this law and the results of the market surveys conducted to determine the availability of commercially available off-the-shelf online tools. The full report is available on our GI Bill Website.

As a result of the market surveys, VA deployed an online assessment tool called CareerScope® that allows a Veteran or Servicemember to assess whether he or she is ready to engage in postsecondary education and determine his or her likely vocational aptitude. VA conducted another market survey for an online tool that provides a Veteran or Servicemember with a list of providers of postsecondary education and training opportunities based on specific postsecondary education criteria selected by the individual. We discovered that many online tools provide much of the required information; however, none of the Websites provide all the data required in the law. As a result, VA developed and deployed the GI Bill Comparison Tool. Launched on February 4, 2014, the GI Bill Comparison Tool enables prospective students to compare educational institutions using key measures of affordability and value through access to school performance information and consumer protection information, and it helps Veterans become informed postsecondary-education consumers. The latest version of the GI Bill Comparison Tool includes functionality that allows users to search for schools and employers based on state and residence, compare multiple schools side-by-side, and compare the benefits of multiple GI Bill programs for those who may be entitled to more than one benefit. The GI Bill Comparison Tool is easily accessible through the GI Bill and eBenefits Websites. As of March 4, 2015, there have been over 846,000 unique visitors who have used the tool and over one million page-views.

VA will continue exploring the development and refinement of the GI Bill Comparison Tool. Some of the new features and functionalities we are considering include enhanced print functionality, school certifying official contact information, detailed accreditation information, major/program types, credit-transfer policies, in-state tuition policies, Veteran outcome measures, and feedback ratings.

GI Bill Feedback System

Pursuant to EO 13607, VA developed and launched the GI Bill Feedback System, a centralized online reporting system that allows Veterans, Servicemembers, Reservists, and eligible dependents and survivors to report their experiences with educational institutions. Depending upon the nature of the feedback, VA may serve as an intermediary between the student and the school to assist in the resolution of the complaint, or VA may launch a targeted risk-based review of the school. Complaints may also be reviewed by state and Federal law-enforcement agencies, including DOJ. VA began accepting complaints through the GI Bill Feedback System when it was launched on January 30, 2014. As of March 2, 2015, there have been 39,457 individuals who have viewed the GI Bill Feedback System's information webpage, 8,449 individuals who logged into the system, and 2,693 complaint submissions. VA reviews and triages each complaint received. Valid complaints are sent to schools or employers for a response. Additionally, in March 2014, VA began transmitting the complaints to the centralized Federal Trade Commission's Consumer Sentinel database, where they are accessible by law-enforcement agencies. We have also added functionality to the GI Bill Comparison Tool to display the school-level complaint data compiled from the GI

Bill Feedback System, so that students may view this information before making a choice on a particular school.

Chapter 36 Outreach

Pursuant to P.L. 112-249, VA has undertaken significant outreach efforts to increase awareness and inform eligible participants about chapter 36 counseling services, including how to determine an appropriate degree program and the education benefit program most appropriate for their individual circumstances. VA has also incorporated information about these services into the Transition Assistance Program curriculum. VA is also promoting chapter 36 counseling services through the VetSuccess on Campus program at more than 32 schools. In addition, we have provided information about chapter 36 counseling services to our stakeholders, including other Federal agencies, Veterans Service Organizations, school certifying officials, SAAs, and other private-sector entities that provide information and guidance to Veterans and Servicemembers about VA's education programs. Section 3697 of title 38 United States Code, currently authorizes payments not to exceed \$6 million in any fiscal year for contract vocational and educational counseling. The Administration's budget for FY 2016 includes a legislative proposal to increase that cap amount to \$7 million.

Sections 701 and 702 of the Veterans Access, Choice, and Accountability Act of 2014 (VACAA)

Prior to the enactment of Section 701 of VACAA, the Marine Gunnery Sergeant John David Fry Scholarship (Fry Scholarship) entitled children of Servicemembers who died in the line of duty while serving on active duty on or after September 11, 2001, to use Post-9/11 GI Bill benefits. Section 701 of VACAA expands the Fry Scholarship to also include surviving spouses of such Servicemembers. Eligible beneficiaries attending school may receive up to 36 months of benefits at the 100 percent level. A child may begin an approved program of education before the age of 18 and eligibility ends on the child's 33rd birthday. A surviving spouse can receive benefits for terms that began on or after January 1, 2015, and eligibility generally ends 15 years after the Servicemember's death.

VA began accepting applications for the extended benefit on November 3, 2014. A letter was mailed on November 5, 2014, to over 6,800 potential beneficiaries, advising them of the new benefit option and providing instructions on how to apply. As of March 2, 2015, VA has received 805 applications.

Section 702 of VACAA requires VA to disapprove educational programs under the Post-9/11 GI Bill and MGIB-AD at public institutions if they charge "covered individuals" tuition and fees in excess of resident rates for terms beginning after July 1, 2015.

In late October 2014, VA sent a letter to all Governors outlining requirements and requesting information on states' ability to meet requirements in advance of July 1, 2015. As of March 2, 2015, 32 states and the District of Columbia have formally replied

with intent to comply by July 1, 2015; 12 states and five territories have contacted VA (either asking questions or requesting more time), but have not issued a formal response to all three questions in the letter; two states responded stating that the decision and changes will be made below the state level; and four states (Texas, Georgia, Kentucky, and Wyoming) are already in compliance.

In December 2014, VA began hosting weekly webinars/conference calls with all identified state points of contacts/designees, state Veterans' Directors, and SAAs in an effort to ensure that all stakeholders understand section 702 requirements. VA also continues to provide technical assistance to states for their respective draft legislation or proposed policies designed to bring them into compliance.

Long Term Solution (LTS)

VA partnered with the Department of the Navy's Space and Naval Warfare Systems Command to develop LTS for Post-9/11 GI Bill education claims processing. LTS is an end-to-end claims processing solution that utilizes rules-based, industry-standard technologies for the delivery of education benefits. VA has deployed six major releases for LTS, including several releases of functionality to implement changes to the Post-9/11 GI Bill required by P.L. 111-377.

On September 24, 2012, end-to-end automation of supplemental Post-9/11 GI Bill claims was activated in LTS. Since that deployment, over 6,500 claims per day are processed automatically without human intervention. In FY 2014, 51.4 percent of all Post-9/11 GI Bill supplemental claims were fully automated. Currently, approximately 80 percent of all Post-9/11 GI Bill supplemental claims are partially or fully automated.

The automation of supplemental claims has significantly reduced claims processing times for Post-9/11 GI Bill education claims. Original claims processing timeliness has improved by 13.5 days, from 30.5 days in FY 2012 to 17 days in FY 2014, and supplemental claims processing timeliness has improved by 10.5 days, from 16.5 days in FY 2012 to 6 days in FY 2014. VA has also maintained a payment accuracy rate of 99.6 percent.

LTS transitioned from development to sustainment in March 2013. During the sustainment phase, there have been six minor releases to add small enhancements. Currently, there are no IT development funds in FY 2014 and FY 2015 for LTS and other supporting systems (Electronic Certification Automated Processing, VA-Online Certification of Enrollment, and Web-Enabled Approval Management System).

As previously discussed, Section 702 of VACAA instituted a new policy for in-state tuition payments. This new policy requires changes to VA's education processing systems to accommodate situations where, for instance, a public institution agrees to charge in-state tuition to covered individuals for all undergraduate programs, but not graduate programs. The functionality in VBA systems needs to be revised to automate processing of education claims for only qualifying programs and stop automation for the non-qualifying programs, requiring additional IT funding. In the absence of IT funding, manual workarounds are required to process claims impacted by this section of VACAA. This manual process would need to remain in place until business rules in each system are updated to be in compliance with this section of the law. According to VA's Office of Information and Technology, it is expected to cost up to \$40 million to incorporate this required functionality into LTS and other supporting systems.

Education Service Management Oversight

On October 1, 2013, VA's Education Service took over the oversight of the four regional processing offices located in Atlanta, Buffalo, Muskogee, and St. Louis—with approximately 1,600 field employees. VA's Education Service manages education program resources at a national level and oversees program administration at all levels to ensure high-quality and timely education benefits are provided to Veterans, Servicemembers, and their families.

Conclusion

Veterans' hard-earned educational benefits are the vehicle by which many of our Nation's heroes pursue their career goals and successfully transition to civilian life. VA is dedicated to ensuring Veterans are able to make well-informed decisions concerning the use of their benefits and receive a quality education.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you and other Members of the Committee may have.